REMARKS

In a Final Office Action dated January 29, 2009, the Examiner rejected claims 38 and 40-42 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,889,868 to Moskowitz et al. ("Moskowitz") in view of U.S. Patent No. 5,629,980 to Stefik et al. ("Stefik").

By this Amendment, Applicants have amended claim 38. This amendment adds no new matter and is fully supported by the specification. Applicants have also canceled claim 42 without prejudice or disclaimer, thus rendering the rejection of this claim moot. Applicants respectfully traverse the remaining rejections and request reconsideration based on the following remarks. In addition, Applicants do not necessarily agree with or acquiesce in the Examiner's characterization of claims or the prior art, even if those characterizations are not addressed herein.

Claim Rejections Under 35 U.S.C. §103

Applicants respectfully traverse the rejection of claims 38 and 40-41 under 35 U.S.C. § 103(a) as being unpatentable over *Moskowitz* in view of *Stefik* because a *prima facie* case of obviousness has not been established with respect to these claims. Although Applicants respectfully disagree with the basis for the Examiner's rejection, in the interest of expediting allowance of the pending claims, Applicants have amended claim 38 and submit that the claim, as amended, even more clearly distinguishes the claimed invention from the cited references.

Claim 38 recites a rights management method the includes use of, inter alia:

"[an] information signal comprising a content portion and steganographically encoded control information, the control information being intertwined with the content portion of the information signal and comprising an indication of whether at least part of the content portion may be copied, the control information further comprising an indication of a number of times the content portion may be rendered by a given device"

Applicants respectfully submit that neither Moskowitz nor Stefik disclose or suggest at least these claimed features Moskowitz relates generally to "implementations of digital watermarks." Moskowitz, Col. 2: I. 26. Moskowitz discloses that its digital watermarks are "essentially randomly-mapped noise ... inserted into samples of digital content in a manner such as to maximize encoding level while minimizing any perceived artifacts that would indicate their presence or allow removal by filters without destroying the content signal." Moskowitz, Col. 7: II. 1-4, (Emphasis added). The digital watermarks of Moskowitz are integrated "as closely as possible to [a] content signal, at a maximal level, to force degradation of the content signal when attempts are made to remove the watermarks." Id. at Col. 2: II. 62-65.

The "digital watermarks" of Moskowitz, however, are different from the "control information" of the instant claims. For example, nowhere does Moskowitz disclose or suggest "control information being intertwined with the content portion of the information signal and comprising an indication of whether at least part of the content portion may be copied, the control information further comprising an indication of a number of times the content portion may be rendered by a given device," as recited in claim 38. Rather, as noted above, the "digital watermarks" of Moskowitz are "essentially randomly-mapped noise," and therefore are entirely different from the "control information ... that [comprises] an indication of whether at least one part of the content portion may be copied ... [and] an indication of a number of times the content portion may be rendered by a given device," as recited in claim 38.

Stefik fails to cure at least the aforementioned deficiencies of Moskowitz. Stefik discloses a system in which "[u]sage rights are attached directly to digital works." Stefik, Col. 9: 1. 8. Further, Stefik discloses that usage rights are attached in a "rights portion" of a digital work. Id. at Col. 9: 1. 60. See also Fig. 7 and Fig. 10. Nowhere, however, does Stefik provide any disclosure or suggestion of "[an] information signal comprising a content portion and steganographically encoded control information, the control information being intertwined with the content portion of the information signal." as recited in claim 38.

For at least the above reasons, Applicants respectfully submit that claim 38 is not obvious over the combination of *Moskowitz* and *Stefik*. Therefore, Applicants submit that claim 38 is allowable. Claims 40-41 depend from claim 38, and are allowable for at least the same reasons as claim 38. Accordingly, Accordingly, Applicants respectfully request reconsideration and withdrawal of the rejection of claims 38 and 40-41 under 35 U.S.C. \$103.

Conclusions

In view of the foregoing remarks, Applicants submit that this claimed invention, as amended, is neither anticipated nor rendered obvious in view of the prior art references cited against this application. Applicants therefore request the Examiner's reconsideration of the application, and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Dated: July 24, 2009

y: Darrell D. Kinder